Postal Regulatory Commission Submitted 3/10/2017 3:20:57 PM Filing ID: 99359 Accepted 3/10/2017

### BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268–0001

ANNUAL COMPLIANCE REVIEW, 2016

Docket No. ACR2016

# RESPONSE OF THE UNITED STATES POSTAL SERVICE TO QUESTION 1 OF CHAIRMAN'S INFORMATION REQUEST NO. 26

The United States Postal Service hereby provides its response to the abovelisted question of Chairman's Information Request No. 26, issued on March 8, 2017. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

475 L'Enfant Plaza, S.W. Washington, D.C. 20260-1137 (202) 277-6333 March 10, 2017

# RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 26

1. The Responses to CHIR No. 23, question 2 is reproduced in the table below. There appear to be anomalies with the information provided. For example, the information provided in columns titled "b. Percentage of mail entered at Full-Service IMb prices and included in measurement" and "c. Percentage of mail processed as Full-Service IMb, but excluded from measurement" do not sum to 100% similar to the corresponding information provided for FY 2015. Please explain these apparent anomalies or file a corrected response.

| Product                                                                      | a. Percentage<br>of Mail in<br>Measurement | b. Percentage<br>of mail entered<br>at Full-Service<br>IMb prices and<br>included in<br>measurement | c. Percentage of mail processed as Full-Service IMb, but excluded from measurement |  |
|------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--|
| First-Class Mail                                                             |                                            |                                                                                                     |                                                                                    |  |
| Presort Letters/Postcards                                                    | 62.5                                       | 62.5                                                                                                | 29.8                                                                               |  |
| Flats                                                                        | 54.1                                       | 54.1                                                                                                | 27.6                                                                               |  |
| Standard Mail                                                                |                                            |                                                                                                     |                                                                                    |  |
| High Density and Saturation Letters                                          | 68.8                                       | 68.8                                                                                                | Not Available                                                                      |  |
| High Density and Saturation Flats/Parcels                                    | 36.6                                       | 6.4                                                                                                 | Not Available                                                                      |  |
| Carrier Route                                                                | 69.6                                       | 69.6                                                                                                | Not Available                                                                      |  |
| Letters                                                                      | 69.1                                       | 69.1                                                                                                | Not Available                                                                      |  |
| Flats                                                                        | 59.0                                       | 59.0                                                                                                | Not Available                                                                      |  |
| EDDM-Retail                                                                  | 63.2                                       | 63.2                                                                                                | N/A                                                                                |  |
| Parcels                                                                      | 44.5                                       | 44.5                                                                                                | Not Available                                                                      |  |
| Total Standard Mail                                                          | 63.8                                       | 63.8                                                                                                | 23.3                                                                               |  |
| Periodicals                                                                  |                                            |                                                                                                     |                                                                                    |  |
| In-County                                                                    | 7.4                                        | 7.4                                                                                                 | Not Available                                                                      |  |
| Outside County                                                               | 57.0                                       | 57.0                                                                                                | Not Available                                                                      |  |
| Total Periodicals                                                            | 52.4                                       | 52.4                                                                                                | 31.9                                                                               |  |
| Package Services                                                             |                                            |                                                                                                     |                                                                                    |  |
| Bound Printed Matters Flats                                                  | 11.4                                       | 11.4                                                                                                | 56.5                                                                               |  |
| N/A = Not Applicable                                                         |                                            |                                                                                                     |                                                                                    |  |
| Not Available = The Postal Service does not have this information available. |                                            |                                                                                                     |                                                                                    |  |

## RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 26

#### **RESPONSE:**

The data provided in Column b of the originally-filed response to Question 2 of ChIR No. 23 represented the total of all mail that was both Full-Service and included in measurement, divided by the total of all mail. Column c represented the total of all mail that was Full-Service mail and excluded from measurement, divided by all Full-Service mail.

Another equally reasonable interpretation of the request would have been to make the denominators of both Column b and Column c the same. That could have been achieved using one of two approaches: either by making the denominator in both columns the total of all mail, or by making the denominator in both columns total Full-Service Mail.

Under the first approach (where the denominator in both columns is the total of all mail), the responses to ChIR No. 23, Question 2, **Column b**, would remain the same as when originally filed, and each of the new responses for Column c could be calculated simply by subtracting 100 minus the corresponding figures in Column b.

Under the second approach (where the denominator in both columns is total Full-Service Mail), Column b would become the total of all mail that was both Full-Service and included in measurement, divided by total Full-Service Mail. Using that second approach, which was the one also applied earlier in presenting the FY 2015 information, the responses provided for ChIR No. 23, Question 2, **Column c**, would remain the

# RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 26

same as when they were originally filed, and each of the new responses for Column b could be calculated simply by subtracting 100 minus the corresponding figures in Column c. Using that second approach, the data for FY 2016 would appear in the full table as follows:

| Product                                                                      | a. Percentage<br>of Mail in<br>Measurement | b. Percentage<br>of mail entered<br>at Full-Service<br>IMb prices and<br>included in<br>measurement | c. Percentage of mail processed as Full-Service IMb, but excluded from measurement |  |
|------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--|
| First-Class Mail                                                             | 00.5                                       | 70.0                                                                                                | 100.0                                                                              |  |
| Presort Letters/Postcards                                                    | 62.5                                       | 70.2                                                                                                | 29.8                                                                               |  |
| Flats                                                                        | 54.1                                       | 72.4                                                                                                | 27.6                                                                               |  |
| Standard Mail                                                                |                                            | T                                                                                                   |                                                                                    |  |
| High Density and Saturation                                                  | 68.8                                       | Not Available                                                                                       | Not Available                                                                      |  |
| Letters                                                                      |                                            |                                                                                                     |                                                                                    |  |
| High Density and Saturation                                                  | 36.6                                       | Not Available                                                                                       | Not Available                                                                      |  |
| Flats/Parcels                                                                |                                            | N                                                                                                   |                                                                                    |  |
| Carrier Route                                                                | 69.6                                       | Not Available                                                                                       | Not Available                                                                      |  |
| Letters                                                                      | 69.1                                       | Not Available                                                                                       | Not Available                                                                      |  |
| Flats                                                                        | 59.0                                       | Not Available                                                                                       | Not Available                                                                      |  |
| EDDM-Retail                                                                  | 63.2                                       | N/A                                                                                                 | N/A                                                                                |  |
| Parcels                                                                      | 44.5                                       | Not Available                                                                                       | Not Available                                                                      |  |
| Total Standard Mail                                                          | 63.8                                       | 76.7                                                                                                | 23.3                                                                               |  |
| Periodicals                                                                  |                                            |                                                                                                     |                                                                                    |  |
| In-County                                                                    | 7.4                                        | Not Available                                                                                       | Not Available                                                                      |  |
| Outside County                                                               | 57.0                                       | Not Available                                                                                       | Not Available                                                                      |  |
| Total Periodicals                                                            | 52.4                                       | 68.1                                                                                                | 31.9                                                                               |  |
| Package Services                                                             |                                            | •                                                                                                   |                                                                                    |  |
| Bound Printed Matters Flats                                                  | 11.4                                       | 43.5                                                                                                | 56.5                                                                               |  |
| N/A = Not Applicable                                                         |                                            |                                                                                                     |                                                                                    |  |
| Not Available = The Postal Service does not have this information available. |                                            |                                                                                                     |                                                                                    |  |